

VAL-D'OR, QUEBEC--(Marketwired - Aug 2, 2016) - [Abitibi Royalties Inc.](#) (TSX VENTURE:RZZ) ("Abitibi Royalties" or the "Company") is pleased to provide an update on the Company's net smelter royalties ("NSR") at the Canadian Malartic mine near Val-d'Or, Québec. The information contained in this news release is based on disclosure made by [Agnico Eagle Mines Ltd.](#) ("Agnico Eagle") in its Q2-2016 news release (July 27, 2016) and Q2-2016 conference call (July 28, 2016) and [Yamana Gold Inc.](#) ("Yamana") in its Q2-2016 news release (July 28, 2016) and Q2-2016 conference call (July 29, 2016) or as otherwise stated and without independent verification.

Malartic CHL - Odyssey North Zone (3% NSR)

Abitibi Royalties holds a 3% NSR on the Odyssey North Zone located inside the Malartic CHL property. Odyssey North is proximate to the Odyssey South Zone and together, these zones comprise the "Odyssey Zones", "Odyssey deposit" or "Odyssey" that is east of the main Canadian Malartic Mine open pit. The Canadian Malartic Mine and Malartic CHL Property are jointly operated by Agnico Eagle and Yamana.

A total of 57 holes (53,417 metres) was completed from January 1 - June 30, 2016 by Agnico-Eagle and Yamana. Drilling is ongoing with nine drill rigs focused on the Odyssey North Zone. The exploration budget for Odyssey in 2016 has been increased from Cdn\$8.0 million (60,000 metres of drilling) to Cdn\$13.5 million (95,000 metres of drilling), with the increased budget being allocated to Odyssey North. Select drill results for some of the early drilling (32 of the 113 holes drilled as of June 30, 2016), including drill hole collar coordinates and local geology map released by both Agnico Eagle and Yamana can be found here. The original goal of the 2016 program was to complete a 100-by-100 metre spaced drill program to establish an inferred mineral resource. This program has now been completed and has successfully established the initial size, shape and grade of the bulk tonnage deposit.

Yamana states during its Q2 conference call that, "The initial infill program also encountered three unexpected high grade intercepts that appears to strike north-south, cross-cutting the east-west trending main Odyssey deposit. These structures will also need further drilling to be completely understood." The Odyssey North Zone is known to contain high grade structures from earlier drill results released by Abitibi Royalties, such as 105.5 gpt gold over 1.0 metre, which contained visible gold (Abitibi Royalties news release dated April 23, 2014).

Also, on May 4, 2016 in Yamana's Q1-2016 news release, it was further stated that, "The Odyssey drill program continues to define the north and south mineral bodies and has discovered two, previously unknown mineralized structures. Geologic and mineralized models have identified two zones within the north zone where cross-cutting structures have created blow-out zones of mineralization much wider than other portions of the deposits. Additional focused drilling of these swell zones will follow the initial 100 metre-by-100 metre program," and during Yamana's Q2-2016 conference call it was stated that the initial drill program to establish the inferred mineral resource on 100 metre-by-100 metre spacing had been completed and that the additional funding of Cdn\$5.5 million will allow for an expanded 35,000 metres of drilling on at least two zones within Odyssey North.

An additional exploration update for Canadian Malartic is anticipated to be provided by Yamana during the current quarter, possibly in August, as stated on the company's Q2-2016 conference call. An initial inferred mineral resource estimate for the Odyssey is expected early in 2017.

Agnico Eagle states on its Q2-2016 conference call, "We feel that it's [Odyssey] an important part of the Canadian Malartic value-creating story, and we want to know as much about it as quickly as we can, to work on various scenarios to integrate Odyssey into the overall Canadian Malartic plan."

The Company has not received all, or, in some cases any of the drill hole information from the newly reported holes contained in the Agnico Eagle and Yamana Q2-2016 news releases or new zones outlined in Yamana's Q2-2016 Conference Call and Q1-2016 news release. Odyssey North strikes east-southeast and dips south, with the mineralization on the eastern portion of the discovery appearing to straddle the Malartic CHL property boundary at depth. There are no assurances that all or any of the recent drilling at Odyssey has encountered additional mineralization on the Malartic CHL property which is covered by the Company's 3% NSR.

Update on Barnat Extension and Jeffrey Deposits (3% NSR)

The Company holds a 3% NSR on the eastern portion of the Barnat Extension (Barnat East) and the Jeffrey gold deposit, both of which were included in the submitted Environmental Impact Assessment ("EIA") Project Notification Form. The formal EIA was submitted in February 2015.

Agnico Eagle states in its Q2-2016 news release, "Permitting activities for the Canadian Malartic pit extension and deviation of Highway 117 are continuing. As part of the Quebec environmental impact evaluation process, public hearings on the Canadian Malartic pit extension project took place on June 14 to 16 and July 12 and 13, 2016 in Malartic, Quebec.

The Quebec *Bureau des Audiences Publiques sur l'Environnement* (BAPE) will now be reviewing the studies and documents

submitted by the Partnership, information that was presented at the hearings and the written submissions received from intervenors. The BAPE is expected to issue its conclusions and recommendations on the acceptability of the project to the Quebec Minister of the Environment, Sustainable Development and Climate Change in October 2016. A decision from the Minister will then follow within the next several months."

Cash flow from the Jeffrey Zone in 2017 has been estimated by the Company at approximately Cdn\$450,000 and for the Jeffrey and/Barnat Extension Zones in 2018 at approximately Cdn\$1.9 million based on information provided by Agnico Eagle and Yamana (released by Abitibi Royalties on March 29, 2016). No production details have been provided by the mine operators beyond 2018.

QUALIFIED PERSON

Glenn J. Mullan, Chairman, is the Qualified Person (as that term is defined in National Instrument 43-101 - Standards of Disclosure for Mineral Projects) who has reviewed this news release which is based on and derived from information contained in Agnico Eagle's Q2-2016 news release (July 27, 2016), Q2-2016 Results Conference Call (July 28, 2016), Yamana's Q2-2016 news release (July 28, 2016), Q1-2016 (May 4, 2016), Q2-2016 Results Conference Call (July 29, 2016) and Abitibi Royalties news release (April 23, 2014) and without independent verification.

About Abitibi Royalties Inc.

Abitibi Royalties holds a 3% NSR on the Odyssey North discovery inside the Malartic CHL property, Jeffrey Zone and the eastern portion of the Barnat Extension and a 2% NSR on portions of the Gouldie and Charlie zones all at the Canadian Malartic mine near Val-d'Or, Québec. In addition, the Company is building a portfolio of royalties on early stage properties near producing mines. The Company owns common shares in Agnico Eagle Mines and Yamana Gold that have an approximate market value of CDN\$58.0 million and approximately CDN\$2.9 million in cash (as reported on June 2, 2016). The Company is debt free.

Golden Valley Mines Ltd. and Rob McEwen hold approximately 49.4% and 12.3% interest in Abitibi Royalties, respectively.

Forward Looking Statements:

This news release contains certain statements that may be deemed "forward-looking statements." Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or realities may differ materially from those in forward looking statements. Forward looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by law, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Contact

[Abitibi Royalties Inc.](#)

Ian J. Ball
President & CEO
416-346-4680
ian.ball@abitiroyalties.com